

## Message Text

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ACTION NEA-09

INFO OCT-01 ISO-00 H-01 INR-07 L-02 PM-03 PRS-01 SP-02

IGA-01 /027 W

----- 122125

P 030645Z MAR 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 412

INFO SECDEF WASHDC

USCINCEUR

USMTM DHAHRAN

COE RIYADH

S E C R E T JIDDA 1488

E.O. 11652: GDS

TAGS: MASS, SA, MARR

SUBJECT: REIMBURSEMENT FOR U.S. SECURITY ASSISTANCE SEERVICES TO  
SAUDI ARABIA

REF: (A) JIDDA 0893 DTG 080750Z FEB 75

(B) STATE 32437 (NOTAL)

(C) STATE 28365

(D) JIDDA 0093 DTG 060945Z JAN 75

SUMMARY: EMBASSY PREFERS TO PRESENT USMTM CASE UNZ AND  
PROPOSED MOU AT EARLIEST OPPORTUNITY, WITHOUT WAITING FOR  
DEVELOPMENT OF SINGLE COMPREHENSIVE TAFT-USMTM FMS PACKAGE.

END SUMARRY.

1. EMBASSY HAS CONSIDERED PROPOSALS IN REF C BUT FEELS THAT  
ADVANTAGES OF PROCEEDING WITH PRESENTATION OF CASE UNZ AND  
DRAFT MOU OUTWEIGH POSSIBLE BENEFITS OF ATTEMPTING TO  
PREPARE ONE COMPREHENSIVE REIMBURSEMENT PACKAGE FOR ALL  
SECURITY ADVISORY SERVICES, INCLUDING TAFTS. USMTM SHARES  
THIS VIEW.

2. WASHINGTON SUGGESTS THAT IT IS DESIRABLE TO AVOID

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GOINT TO SAG WITH A SERIES OF REQUESTS FOR DIFFERENT ASPECTS

OF OUR SECURITY ADVISORY PROGRAM. WE APPRECIATE WASHINGTON'S CONCERN OVER THIS POINT BUT BELIEVE PROPER PRESENTATION CAN ELIMINATE LIKELIHOOD OF ANY MAJOR DIFFICULTY. OUR PAST PROBLEMS HAVE ARISEN WHEN MODA WAS SURPRISED BY UNEXPECTED FOLLOW-ON REQUESTS OF INCREASED ESTIMATES FOR PROPOSALS ON WHICH MODA THOUGHT IT ALREADY HAD OUR LAST WORD (M-800 SERIES TRUCKS; SNEP). IN PRESENTING CASE UNZ WE WOULD MAKE IT VERY CLEAR JUST WHAT UNZ DOES AND DOES NOT COVER, AND WOULD OUTLINE FOR PINCE SULTAN THE ADDITINAL REQUESTS WE WOULD EXPECT TO PRESENT AT A LATER DATE. WE WOULD POINT OUT THAT UNZ IS TO PROVIDE FUNDS MERELY TO MAINTAIN THE PRESENT USMTM, WHILE ENABLING US TO IMPROVE THE QUALITY AND USEFULNESS OF ADVICE OFFERED BY PROVIDING FUNDS FOR ACCOMPANIED TOURS AND VARIOUS TOUR ENHANCEMENT PROPOSALS SUCH AS R&R AND FUNDS FOR DEPENDENT SCHOOLING AND TRAVEL. WE WOULD ACQUAINT SULTAN WITH THE PRESENT MOOD OF THE CONGRESS (OF WHICH HE IS ALREADY SOMEWHAT AWARE) AND THE PROVISIONS OF THE AMENDED FOREIGN ASSISTANCE ACT AND INFORM HIM THAT IT SEEMS VERY LIKELY, THE 1953 AGREEMENT NOTWITHSTANDING, THAT WE WILL HAVE TO PRESENT HIM AT SOME FUTURE DATE WITH A BILL FOR SALARIES AND PCS TRAVEL EXPENSES, IN TIME TO HAVE THESE FUNDS PRIOR TO JULY 1, 1976. WE THINK CURRENT SAUDI AWARENESS OF CONGRESSIONAL SENTIMENT IS SUCH THAT SAG WILL ACCEPT UNZ AS INEVITABLE REQUIREMENT.

3. WE WOULD ALSO OUTLINE FOR SULTAN THE WILLINGNESS OF THE USG TO PROVIDE VARIOUS TAF TEAMS TO PERFORM SPECIALIZED FUNCTIONS OUTSIDE THE CAPABILITY OF THE USMTM AND WOULD ACQUAINT HIM WITH THE CONGRESSIONAL LIMITATIONS ON MAAG STRENGTHS WHICH MAKE THIS APPROACH NECESSARY. THE VARIOUS REQUESTS (LOA'S) FOR FUNDS FOR TAF TEAMS REQUESTED BY MODA WOULD, OF COURSE, NOT BE PRESENTED BY AMBASSADOR BUT WOULD BE PRESENTED ROUTINELY BY THE USMTM, OR BY OTHER SUPERVISORY TAF TEAMS, SUCH AS THE PROPOSED TEAM TO OVERSEE THE IMPLEMENTATION OF THE RSAF MODERNIZATION PROGRAM (USMTM DTG 150554Z FEB 75). WE CAN EXPECT A CONTINUING SERIES OF SUCH REQUESTS AND WE WILL NOT BE IN A POSITON BY MID-MARCH, NOR AT ANY POINT IN THE NEAR FUTURE, TO DRAW UP ONE COMPREHENSIVE PICTURE OF WHAT SAG WILL WANT. IT IS PERHAPS WORTH EMPHASIZING THAT REQUESTS FOR TAFTS ORIGINATE WITH SAUDIS,

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NOT WITH U.S., AND THAT THEY WILL PRESUMABLY BE WILLINT TO PAY FOR ANYTHING THEY REQUEST. AS FOR TAFT SUPPORT PACKAGE, IT IS EMBASSY'S AND USMTM'S CURRENT VIEW THAT EACH TEAM'S LOA SHOULD INCLUDE FUNDS NECESSARY FOR ALL SUPPORT (SAUDIS WILL PREFER THIS AS TRUE INDICATOR OF EACH TEAM'S COST) AND THAT WE SHOULD ATTEMPT TO AVOID PRESENTATION OF A SEPARATE "TAFT SUPPORT PACKAGE" IF AT ALL POSSIBLE. WE MAINTAIN OPEN MIND ON THIS POINT, HOWEVER, AND WILL OF COURSE BE INTERESTED IN

OTHER VIEWS OF THIS QUESTION TO BE DISCUSSED AT DHAHRAN  
CONFERENCE IN MID-MARCH.

4. IT HAS TAKEN FROM LAST APRIL UNTIL NOW TO DEVELOP UNZ,  
WHICH IS STILL NOT READY FOR PRESENTATION, NOW REQUIRING,  
AS IT DOES, CONGRESSIONAL ACQUIESCENCE. WE FEAR THAT ANY  
ATTEMPT TO DEVELOP ONE SINGLE COMPREHENSIVE PACKAGE WILL  
NECESSITATE FURTHER LONG MONTHS OF DELAY. WE WOULD PREFER  
TO GO AHEAD WITH PRESENTATION OF CASE UNZ WHICH, IF ACCEPTED,  
HAS THE ADVANTAGE OF BEING A THREE-YEAR PROGRAM WHICH  
WILL INSURE STABILITY AND FUNDING AVAILABILITY FOR THE MISSION  
AS WE SHIFT MORE TO THE TAF TEAM MODE OF OPERATION. REGARD-  
LESS OF OUR OTHER REQUESTS, THIS WILL ASSURE SAG OF BASIC  
CONTINUITY OF OUR EFFORT. SHOULD WE OBTAIN READY SAG ACCEP-  
TANCE OF R&R AND DEPENDENT SCHOOLING AND TRAVEL PROVISIONS,  
SUCH COSTS FOR THOSE TAF PERSONNEL ON ACCOMPANIED TOURS  
WOULD THEN BE FACTORED INTO TAF LOA'S NOW UNDER PREPARATION.  
IN ADDITION A CONTINUING SERIES OF SMALL INCIDENTS  
KEEPS BEFORE US THE MATTER OF INSURING PRIVILEGES AND IMMUNITIES FOR  
USMTM MEMBERS. FOR THIS REASON WE ARE ANXIOUS TO MOVE AHEAD  
WITH OUR PROPOSED MOU OR SOME SIMILAR VERSION THEREOF. WE  
THINK IT WOULD BE DESIRABLE TO HAVE SAG AGREEMENT TO THIS  
PROPOSAL BEFORE LARGE NUMBERS OF TAFTS BEGIN TO ARRIVE  
(THOUGH WE WOULD NOT WISH TO DELAY THEIR ARRIVAL ON THIS  
ACCOUNT).

5. IN CONCLUSION, EMBASSY WOULD PREFER TO SEE (A) UNZ PRESENTED  
TO THE CONGRESS FOR NECESSARY 20-DAY REVIEW PERIOD, AND  
(B) RENEWAL OF DEPARTMENT CONSIDERATION OF PROPOSED MOU  
AND ACTION TO OBTAIN CIRCULAR 175 AUTHORITY, OBJECTIVE BEING  
TO PRESENT THIS PACKAGE TO SAG AT EARLIEST POSSIBLE DATE IN  
LATE MARCH OR EARLY APRIL. IN VIEW OUR INCREASED UNDERSTANDING  
OF STRENGTH OF CONGRESSIONAL SENTIMENT ON MAAG ISSUE, WE  
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REVERSE OUR POSITION ON PARAGRAPH 5A OF UNZ (JIDDA 048,  
PARA 2; USMTM 221303Z JAN 75) AND AGREE THAT IT SHOULD STAND  
AS WRITTEN. WE WILL ACQUAINT SAUDIS WITH THE NEW REALITIES.  
SUBSEQUENT PRESENTATION OF REQUEST FOR FUNDS FOR USMTM SALAR-  
IES AND PCS TRAVEL, HOWEVER, WILL PRESUMABLY NEED TO BE ACCOM-  
PANIED BY FORMAL REQUEST FOR AMENDMENT OF 1953 AGREEMENT, LEST  
WE LATER BE FOUND IN VIOLATION OF PROVISIONS OF PARAGRAPH 8B.  
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